

MANAGED RISK MEDICAL INSURANCE BOARD
Healthy Families Program Advisory Panel Summary
Meeting August 3, 2004
Sacramento, California

Panel Members Present: Jack Campana, Heather Bonser-Bishop, Michael Kirkpatrick, Iantha Thompson, Jose Carvajal, Martha Jazo-Bajet, Elizabeth Stanley-Salazar, Ellen Beck, M.D., Leonard Kutnik, M.D., Ronald Diluigi, Steven Tremain, M.D., Santos Cortez, D.D.S.

Staff Present: Joyce Iseri, Irma Michel, Caroline Castaneda, Laura Gutierrez, Alice Chan

Board Members Present: Virginia Gotlieb, M.P.H.

Introductions

Jack Campana, Healthy Families Program (HFP) Advisory Panel Chair, opened by introducing himself and asking the Panel members, staff and the audience to introduce themselves.

Budget Update

Joyce Iseri, Chief Deputy Director for MRMIB, reported that the State Budget for fiscal year 04-05 had been signed Saturday, July 31, 2004. Among other actions, she reported that:

- The budget fully funds the HFP projected caseload without an enrollment cap. The May Revise rescinded the cap that had been proposed by the January budget proposal.
- The budget continues funding for services to legal immigrant populations served by HFP and cash and food assistance programs.
- The budget includes an increase in premiums for the HFP's highest income families effective July 1, 2005 and some funding for system changes. Families with income between 200% and 250% of the federal poverty level (FPL) will pay an additional \$6 per child per month for health, dental, and vision coverage, making the maximum premium payment per family \$45 per month. There is no change to the co-payment amounts. It is estimated that one third of families, or 225,000 children, will be affected. There is no estimate for how many families will not enroll due to premium increases. Affected HFP subscribers will have at least 60 days notice of

the premium increase and will have an opportunity to provide income verification if their income has decreased. If their income has decreased below 200% of the FPL, premiums will remain at the \$27 per family maximum. Karina Moreno, from the 100% Campaign, stated that the Center on Budget and Policy Priorities estimates that 10,000 HFP subscribers could be disenrolled as a result of the premium increase. She also stated that other states have adopted similar policies and have seen a significant decrease in their caseloads because the premium increase occurred at 133% of FPL.

- Reductions in the budget were: No funding for Consumer Assessment of Health Plans Survey (CAHPS) for 04-05. This data is used in the HFP Handbook. The AIM program's prudent reserve (approximately \$1 Million), usually used to risk share with small plans for high cost pregnancies and infants, was abolished. Proposition 99 funds will be used as the reserve fund in lieu of the prudent reserve.

Legislative Update

Joyce Iseri announced that Teresa Smanio, formerly MRMIB's legislative coordinator, is now the Republican consultant for the Senate Health and Human Services Committee. MRMIB's legislative coordinator position has not been filled yet. Laura Rosenthal and Dennis Gilliam are currently performing the duties of the legislative coordinator. Ms. Iseri reviewed the State legislative status report. Ms. Iseri summarized several bills that impact the HFP.

AB 343, a bill that provides for a \$500 civil penalty for charging families for application assistance, can be sent to the Governor now that the budget has been passed.

The author of AB 1927 (Cohn), a topic of discussion at the May 4, 2004 Advisory Panel meeting, dropped the bill at the end of June.

Implementation of SB 2 is suspended pending the outcome of the November referendum. Ms. Michel stated that the Board has not been given any resources to work on the implementation of SB 2. Board Member Virginia Gotlieb added that the legislation authorizes funding in the form of a loan to MRMIB from the State General Fund, upon appropriation by the Legislature, to implement SB 2. Dr. Leonard Kutnik asked if staffing levels at MRMIB have impacted any work product. Irma Michel stated that overall MRMIB has suffered a 15% loss of staff cumulatively and those reductions have affected workload. The Eligibility division lost 25% of its staff. Ms. Michel stated that the lifting of the hiring freeze has also impacted staffing levels with an additional 2 staff lost to go to other State employment. Those positions are currently advertised and are expected to be filled. MRMIB is close to 3 months behind on processing 2nd level appeals,

normally processed within 30 days. As more staff leave, the problem will get worse as there is only so much work that the remaining staff can perform.

The panel approved a motion for MRMIB staff to produce a report to document the percentage of positions lost, what activities are impacted, and what work product is lost as a result of the decrease in staff.

2003 County Mental Health Services for SED Status Report

Alice Chan, MRMIB Benefits Specialist, presented highlights from the 2003 County Mental Health Services for Seriously Emotionally Disturbed (SED) children status report issued in June 2004.

Ronald Diluigi observed that there is a concern in the professional community about services not being provided by the counties and a lack of uniformity in the level of care received. Ms. Iseri indicated that there is an upcoming meeting with county mental health staff and health plans on access, diagnosis, and referral issues. Elizabeth Stanley-Salazar observed that if a child is receiving SED services, the child is likely also eligible for the Early Periodic Screening Diagnosis and Treatment (EPSDT) funding. This program provides access to substance abuse treatment. Ms. Stanley-Salazar stated that the substance abusing child is not considered SED but still needs access to services. Ms. Iseri noted that HFP children may not be eligible for EPSDT because these services are funded under Medicaid.

Iantha Thompson observed that the number of children accessing services varied widely by county. Ms. Thompson also asked if the children from one county could be referred to another county if there was a shortage of providers in the child's county of residence. Ms. Iseri replied that the health plan or county is still responsible for providing services to the children in that situation.

Mr. Diluigi also presented a concern regarding the continuity of care for the children moving from health plan providers to county providers. Martha Jazo-Bajet stated that the memorandum of understanding (MOU) between the county and each health plan define the expectations for the child's care. For example, if there is a nine month wait for a county provider, the health plan would be responsible for providing services until the county provider is available.

Dr. Ellen Beck noted that the low referral rate may reflect a need to educate providers and families. Ms. Iseri pointed out that mental health services are not an entitlement in California and depend on availability and funding. Jack Campana advocated for the inclusion of education in referrals for SED children, as schools are federally mandated to provide SED screenings.

Welcome New Panel Members and Administer Oath of Office

Irma Michel, Deputy Director of Eligibility, Enrollment and Marketing for MRMIB administered the oath of office to Ms. Iantha Thompson, Ms. Heather Bonser-Bishop, Dr. Steven Tremain, Dr. Ellen Beck, and Dr. Leonard Kutnik.

Review and Approval of the May 4, 2004 HFP Advisory Panel Meeting Summary

The Panel approved the May 4, 2004 HFP Advisory Panel Meeting Summary without any changes.

Acknowledgment

The HFP Advisory Panel took time to acknowledge Ms. Michel's retirement, scheduled for August 31, 2004. Panel members thanked Ms. Michel for her service and dedication to Californians over the years. Appreciation was expressed for the relationships Ms. Michel has built, the respect she has afforded each individual, the acts of kindness she has engaged in. Dr. Ellen Beck and Virginia Gotlieb made additional remarks thanking Ms. Michel. The Panel presented a gift to Ms. Michel. Dr. Santos Cortez recommended that a letter of commendation on behalf of Ms. Michel be presented to the Board by the Chair. Laura Gutierrez, of MRMIB staff, was thanked for helping plan Ms. Michel's acknowledgement.

Health Plan Re-Procurement

Joyce Iseri, Chief Deputy Director for MRMIB informed the panel that the first draft of the model contract will be available at the September 2004 board meeting. The model contract will be finalized at the October 2004 board meeting. Ms. Iseri noted that this is the first re-procurement for HFP health plans since 2000. Any Knox-Keene licensed plan is eligible to bid on the contract. Submissions from plans will be due in December 2004 and January 2005, a staff recommendation will be given to the Board in March 2005.

Election of Chairperson

Irma Michel discussed eligibility for the position of Chairperson given the State's conflict of interest laws. Jack Campana stated he was willing to serve another 2 year term as Chairperson. Nominations were requested. Dr. Ellen Beck nominated Jack Campana for Chairperson. Jack Campana was elected Chairperson of the HFP Advisory Panel for another term.

Enrollment, Disenrollment and Single Point of Entry Reports

Irma Michel reviewed enrollment data that included the ethnicity and gender of subscribers, the top five counties in enrollment, SPE statistics and the breakdown of applications processed with assistance (18.4%) and without assistance (81.6%). She stated the program continues to see an increase in application volume and many of the applications are incomplete and very incomplete. Elizabeth Stanley-Salazar asked Ms. Michel to comment on the increased volume of applications. Ms. Michel responded that there is a delayed effect from the increased publicity generated late last year by the budget proposals regarding the HFP and the full implementation of the CHDP program on January 1, 2004. Since there are very few application assistors statewide, these applications are coming in very incomplete and take 2 to 3 months to enroll.

Ms. Michel also reviewed disenrollment data. AER courtesy call data presented is the result of approximately 1500 responses. Ms. Michel explained that AER disenrollments “due to no packet returned” had the largest count. Also, January 2004 through May 2004 some health plans stopped calling families to remind them to turn in their AER packet. Some plans stopped due to workload but have started sending postcard reminders. Other health plans stopped calling because it seemed to duplicate the administrative vendor’s efforts. Also, Maximus did not make AER courtesy calls for January to March 2004 AER disenrollments, but calls began being made for April 2004.

Data for disenrollments due to non-payment was also reviewed. Ms. Michel reminded the panel that the grace period for receiving payment is through the 10th day of the following month. Dr. Ellen Beck asked if there were any additional ways to contact families. Ms. Michel stated that the new family application collects email addresses. Once funding is available to print the new applications the HFP will also use email to contact families. Since a large percentage of responses to why no payment was intended to be made was “other,” MRMIB is working with Maximus to refine the survey question and obtain better information as to the reasons why families did not intend to make a payment.

Helen Dowden, from Local Health Plans of California, asked if it was possible for the HFP to refer incomplete applications to the health plans for completion when the applicant has already selected their health plan. Ms. Michel stated that MRMIB staff is looking at options on how to get these incomplete applications in touch with an application assistor for each county.

Administrative Vendor Update

Irma Michel introduced Michael Lemberg, HFP Project Director for Maximus, and stated that as of June 2004, Maximus was still working towards meeting the performance standards identified in the contract. Mr. Lemberg stated that additional phones, eligibility, processing and SPE staff have been hired. AERs are being prioritized by anniversary date and date received and then processed within 4 days of receipt. The AER processing standard in the contract is 7 days. Mr. Lemberg announced that all standards have been met for the month of July 2004. 98% of completed applications were processed within 3 days. Mr. Lemberg stated that 50% of the members that are disenrolled at AER are found to be no longer eligible. Jack Campana asked for an explanation of the reasons why children are no longer eligible. Mr. Lemberg stated he did not have data at this time.

Ms. Michel stated that the federal government approved the AB 495 State Plan Amendment last month. Four bay area counties will be able to bill back to January 2003. Ms. Michel stated that the HFP is working on coordinating with AB 495 counties to refer potentially eligible children to their programs.

Dr. Ellen Beck asked for the per child cost associated with premium payment or how much would be saved if some or all of the children did not have to pay premiums. Ms. Michel stated that since Maximus is paid on a per member, per month basis, and every process is included in this rate, it would be very difficult to break down.

Martha Jazo-Bajet asked Mr. Lemberg if there was resolution to the problem of families being notified of their children's eligibility but the health plans were not notified. Mr. Lemberg stated that for the most part these issues are resolved. He also stated that a plan membership reconciliation is also being implemented to ensure the plans have the most current data for each subscriber.

Jack Campana asked if appeals coming in are decreasing in volume. Mr. Lemberg replied that appeals have gone down from the levels experienced in the first few months of the contract.

Dr. Ellen Beck asked if members undergoing the AER process for the first time after enrollment are more vulnerable to being disenrolled than subsequent year AERs. Mr. Lemberg responded that there is no data on the issue. Ms. Michel stated that the last retention report for January 2001 through December 2001 showed that 69% of families re-qualified for the program one year later.

An audience member representing health plans stated Maximus' service has improved. Transmission of primary care provider's names and numbers is still an issue. Ms. Michel stated that Ernesto Sanchez, of MRMIB staff, is working with Maximus on this issue. The audience member also stated that the plan liaisons

have improved their response time, but in some cases are still taking six to nine days. Ms. Michel requested specific examples so she could follow up with Maximus.

Jack Campana thanked Mr. Lemberg for attending and requested that he be present for the next HFP Advisory Panel meeting.

California Performance Review Recommendations

Joyce Iseri stated that the California Performance Review recommendations were due to be presented to the Governor today. The website is www.cpr.ca.gov. The Sacramento Bee reported over the weekend that a key feature of the report is the elimination of many boards and commissions, including MRMIB. Ms. Iseri stated that the process is that the report will be presented to the Governor, who will decide which recommendations to embrace or modify. The Governor may then send a reorganization plan to the Little Hoover Commission which will have 60 days to review the plan. The Legislature will receive the Governor's plan 30 days after it is sent to the Little Hoover Commission. The Legislature must vote on the plan in its entirety. It is possible that the Governor's plan will be presented to the Legislature in January 2005. There will be 5 public hearings of the recommendations in August and September 2004.

Future Meeting Dates

Due to the elections being held on November 2, 2004, the HFP Advisory Panel Meeting previously announced has been moved to November 9, 2004. The location remains in Sacramento.